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APPLICATION

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Honorable Philip N. Asprodites Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

RE:

14,200' Sand, Reservoir A

Mystic Bayou Field

St. Martin Parish, Louisiana

Dear Commissioner Asprodites:

Application is hereby made on behalf of **BADGER OIL CORPORATION** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters related to the **14,200' Sand, Reservoir A**, in the Mystic Bayou Field, St. Martin Parish, Louisiana, to-wit:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the 14,200 RA SUA;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To designate the Badger Oil Corporation Williams Land Co. No. 1 Well as the unit well for the proposed unit;

- 4. To designate Badger Oil Corporation as the unit operator for the proposed unit;
- 5. To provide that any future wells drilled to the 14,200' Sand, Reservoir A, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the 14,200' Sand, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 14,200' Sand in the Mystic Bayou Field, St. Martin Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 14,030 feet and 14,230 feet (electric log measurements) in the Badger Oil Corporation - Williams Land Co. No. 1 Well, located in Section 25, Township 13 South, Range 11 East, St. Martin Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m., on November 1, 2001, at The Onebane Firm, 102 Versailles Blvd., Suite 600, Lafayette, Louisiana 70502, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. Leon Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. Counterplans were presented by Bill Strain and Jim Hardwick on behalf of Cafita and Louis Lemarie' on behalf of Hugh R. Goodrich. The parties had some discussions about resolution of differences and agreed to continue those differences after the conference. The conference was then adjourned.

Subsequent to the conference, additional discussions were held which resulted in a revision to the applicant's unit proposal from that which was mailed with the October 10, 2001 pre-application notice. While the applicant does not have firm commitments from all parties to support the revised proposal, we are hopeful that the new proposal will eliminate or minimize any opposition. The applicant will hold a conference to discuss this unit proposal IF REQUESTED WITHIN TEN (10) DAYS FROM THE DATE OF THIS LETTER.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting Leon Comeaux & Associates, 305 La Rue France, Lafayette, LA 70508, (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$700.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours

RANDALL C. SONG

RCS/dde/bad/Enclosures

cc: Mr. Richard Hudson, District Manager

Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

